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September 18, 2007

Beth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED

SEP 21 2007

PUBLIC SERVICE  
COMMISSION

Re: North Shelby Water Company  
Case No. 2007-00372

Dear Ms. O'Donnell:

Pursuant to the request of Gerry Weutcher, staff attorney, enclosed is a copy of the March 19, 2007 Minutes from the North Shelby Water Company Board of Directors' meeting. Item 5 on Page Two contains the Resolution where the Board voted to immediately file for a pass through rate increase. Please contact me if you have any further questions.

Yours Truly,

MATHIS, RIGGS & PRATHER, P.S.C.

By:   
Donald T. Prather

DTP/pm  
Enclosure  
Cc: Darrell Dees, North Shelby Water Company

Dtp/wtr/ns/PSC ltr

# NORTH SHELBY WATER COMPANY

Board of Directors Meeting - March 19, 2007

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The regular meeting of the Board of Directors of North Shelby Water Company was held at 6:30 p.m. on March 19, 2007, at the company office. Present: Anglin, Armstrong, Eades, Franklin, LeCompte, McCoun, McGinnis, Ruble, Manager Dees, Assistant Manager Brown, Engineer Broughman, and Attorney Prather.

The February 19, 2007 minutes were read and approved. Ruble reviewed the February 2007 monthly balance sheet, income/expense report, and monthly expenditure report, which were approved.

## MANAGEMENT:

1. Public Service Commission Annual Inspection. No violations and, for the first time in Dees' memory, no deficiencies were found. Management is to be commended for this outstanding inspection result.
2. Bob Rogers Spur Road. The last easement has been signed. The project will be bid on March 28, 2007.
3. Tru-Check. The contract is up for renewal in June and an increased rate is expected.
4. Aiken Road Project. Some cleanup work was recently done, but overall progress is still extremely slow. Broughman will calculate the date liquidated damages will start accruing and advise contractor of that date in writing.

5. Louisville Water Company / Pass through Rate Increase. The Louisville Water Company rate increase will be filed soon with Public Service Commission, to be effective May 1, 2007. It is anticipated to be 8¢ per thousand gallons. Upon motion, duly seconded, the Board voted to immediately file for a pass through rate increase.

6. LWC / Shelbyville / Frankfort Meeting. Dees reported on a recent meeting which also included North Shelby, U.S. 60, and West Shelby concerning cooperation on the big waterline along I-64. Shelbyville and Frankfort expressed interest for the first time in purchasing water from LWC.

ENGINEER:

1. Green Meadows (now Millstone). Brown reports the Company was recently contacted by the developers but they have not yet signed an extension agreement.

2. Overlook at Persimmon Ridge. No progress has been made at this time.

3. Monroe Lane. Still waiting on KIA grant money.

BOARD:

1. Nominating Committee. McCoun reported the committee, consisting of Roy Gene Snook, David Neville and Danny Hulker, met on March 1, 2007. Ruble, Anglin & Armstrong were nominated for re-election.

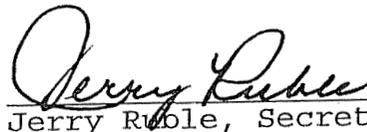
2. Operations Committee. The President appointed Anglin, Franklin, McCoun and McGinnis to serve as the committee for the next year.

ATTORNEY:

1. Frankfort Rate Increase. There has been no activity. Prather will contact the Frankfort attorneys to determine if Frankfort intends to proceed or dismiss and re-file.

2. Louisville Transmission Line Grant. The City of Shelbyville adopted the resolution authorizing the Mayor to sign the Grant Agreement and the Assignment and Assumption Agreement transferring the \$1.5 million grant to North Shelby, the correct recipient.

There being no further business, the meeting was adjourned.



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Jerry Ruble, Secretary-Treasurer

Dtp/wtr/ns/min/march